

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

DEPT OF TREASURY

USSAGE NAKHON PHANOM

CINCPAC

COGARD

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 143032

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JULY 2 EA PRESS SUMMARY

INDOCHINA

1. IN JUNE 26 LETTER TO THIEU RELEASED TO PRESS JULY 2,

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GROUP OF 300 RC PRIESTS PROTESTS CORRUPTION,  
RESTRICTIONS ON PRESS FREEDOM AND ALLEGED POLICE  
BAN ON NEWS CONFERENCE IT HAD PLANNED FOR JUNE 18  
TO LAUNCH ANTI-CORRUPTION CAMPAIGN. OPEN CRITICISM

BY LARGE GROUP FROM PRO-GVN RC COMMUNITY IS FIRST SINCE 1954 (REUTER SAIGON).

2. GVN PRESS SAYS LOW-LEVEL EMPLOYEE IN PREMIER'S OFFICE DETAINED AFTER USING OFFICIAL SEAL FOR ILLEGAL EXPORT OF BRASS SHELL CASINGS (REUTER SAIGON). SVN GAS PRICE IS ONE OF WORLD'S HIGHEST -1.65 A GALLON - BUT TRAIN TRAVEL MAY BE CHEAPEST ANYWHERE, WITH TEN-MILE SAIGON-THU DUC RIDE COSTING EQUIVALENT OF JUST OVER TWO CENTS (UPI, NYT).

3. MIL SOURCES SAY VNAF FLEW 58 STRIKES AGAINST COMMUNIST POSITIONS AS MAJOR GVN PUSH REMAINS BLOCKED FOR FIFTH DAY ON NORTHERN DEFENSE LINE 22 MILES FROM SAIGON

(NYPOST 7/1). SAME SOURCES SAY GVN CASUALTIES MOUNT TO ALMOST 400 BUT LITTLE PROGRESS REPORTED IN DRIVE TO FORCE 2000-MAN COMMUNIST REGIMENT FROM POSITIONS NEAR BEN CAT (REUTER SAIGON).

4. GKR COMMAND SAYS TROOPS CLEAR 300-YD STRETCH OF HIGHWAY 5 AND RELIEVE 500 SOLDIERS TRAPPED IN KOMPONG LUONG IN DRIVE TO OPEN ROUTE FOR FOOD CONVOYS TO PP FROM RICE AREAS TO NW. MEKONG CONVOY OF 18 SHIPS REACHES PP AFTER INSURGENTS SET FIRE TO 1600-TON PANAMANIAN SHIP 40 MILES SE OF CAPITAL (NYPOST 7/1).

CHINA

5. ON ARRIVAL IN PEKING, SEN. JACKSON SAID ALTHOUGH "THERE ARE THINGS THAT HAVE TO BE RESOLVED ALONG THE WAY," HE FAVORS MORE RAPID US APPROACH TOWARD FULL RECOGNITION OF PRC; BUT ALSO FEELS US SHOULD CONTINUE TO HONOR COMMITMENTS TO GROC. ADDED THAT CHINA'S EVENTUAL INVOLVEMENT IN US-SOVIET ARMS AGREEMENTS IS ONE AREA HE WANTS TO EXPLORE IN TALKS WITH PRC LEADERS (REUTER NYT, CSM). SENATOR AND PARTY OF TEN UNCLASSIFIED

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GREETED AT AIRPORT BY BRUCE, CPIFA VP CHOU CHU-YEH, AND LIN PIN, HEAD OF MFA'S AMERICA AND OCEANIA DEPT. (WP). AFTER TWO-HOUR SESSION WITH CHIAO KUAN-HUA JULY 2, JACKSON RELEASED STATEMENT CALLING IT "USEFUL AND PRODUCTIVE," AND CHIAO HAD REQUESTED TALKS CONTINUE WEDNESDAY (REUTER).

6. TORONTO GLOBE AND MAIL'S JOHN BURNS, IN PEKING, CITES "NEW TWIST" IN CITY'S "SUDDENLY BURGEONING POSTER CAMPAIGN" WITH CHARGE THAT AGENTS OF US, CHIANG KAI-SHEK AND USSR ARE AT WORK WITHIN CCP. NOTES THAT POSTER'S AUTHOR, "GOLDEN MONKEY," INJECTED TONE OF "PERSONAL URGENCY" BY ADDING THAT AUTHORITIES

ALREADY HAVE HIM UNDER SURVEILLANCE -- AND MAY YET  
METE OUT DRASTIC PUNISHMENT FOR THIS LATEST TILT  
AGAINST PARTY ESTABLISHMENT. BURNS OBSERVES THAT,  
"PERHAPS BY COINCIDENCE," CHARGE THAT US AGENTS  
INFILTRATED CCP SURFACED ON EVE OF "MOST IMPORTANT  
DIPLOMATIC EVENT THIS YEAR" IN SINO-US RELATIONS:  
JACKSON'S VISIT. SENATOR SEEMS ASSURED CORDIAL  
RECEPTION; HE IS KNOWN AS SKEPTIC ON US-SOVIET DETENTE,  
CHINESE WELCOME HIS OPPOSITION TO US TROOP REDUCTION  
IN EUROPE, AND THEY KNOW HE FAVORS EASIER TARIFF  
TREATMENT FOR CHINESE GOODS.

BURNS SAYS NOT ONLY IS THERE NO CERTAINTY THAT GOLDEN  
MONKEY WOULD HAVE BEEN AWARE OF JACKSON VISIT, BUT

HIS POSTER ESSAYS SEEM TO PROVIDE SUPPORT FOR THOSE  
WHO ARGUE THAT STYLE AND CONTENT OF MANY HANDWRITTEN  
SHEETS ALONG ETERNAL REVOLUTION STREET REFLECT "DO-  
IT-YOURSELF, HAVE-A-GO APPROACH THAT IS INCONSISTENT  
WITH TIGHT PARTY CONTROL." GOLDEN MONKEY'S ACCUSATIONS  
"ARE POLITICAL AND CLOSELY RELATED TO CURRENT CAMPAIGN,  
BUT HIS STYLE IS HIGHLY PERSONAL -- ECCENTRIC, EVEN --  
AND HE IS NOT OVERLY CONCERNED TO DOCUMENT HS CHARGES "  
(CSM).

7. AFP (HK) CITES SOURCES CLOSE TO PRC SPORTS CIRCLES  
SAYING PEKING MAY BID TO REGAIN MEMBERSHIP IN  
INTERNATIONAL AMATEUR SWIMMING FEDERATION (FINA),  
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FOLLOWING CHINA VISIT BY FEDERATION'S PRESIDENT.  
LATTER WAS INVITED BY CHINESE, WHO REPORTEDLY WANTED  
TO DISCUSS POSSIBILITY OF RE-AFFILIATION WITH FINA  
AS PART OF CHINA'S RE-EMERGENCE IN WORLD SPORTS (WP).

8. INFORMED BRITISH SOURCES SAY PRC HAS CANCELED WITHOUT  
NOTICE ALL STUDENT EXCHANGE VISITS WITH BRITAIN  
PLANNED FOR THIS SUMMER. BRITISH EMBASSY PEKING HAS  
LEARNED THAT "ADMINISTRATIVE DIFFICULTIES" PREVENTED  
VISITS TAKING PLACE. DIPLOMATIC OBSERVERS SAY  
CANCELLATIONS WERE CAUSED BY PRC INTERNAL POLITICAL  
SITUATION RATHER THAN ANY DISAGREEMENT WITH BRITAIN  
(REUTER NYPOST 7/1).

9. JOC REPORTS JAMAICA ANNOUNCEMENT THAT IT IS NEGOTIATING  
5-YEAR SUGAR AGREEMENT WITH PRC INVOLVING SHIPMENT,  
IN CHINESE SHIPS, OF 10,000 TONS THIS YEAR,  
40,000 NEXT YEAR AND 50,000 TONS IN EACH OF  
FOLLOWING THREE YEARS. GOJ OFFICIAL SAYS PRICE NOT  
YET DETERMINED, BUT CHINA HAS ACCEPTED PREMISE HAT  
TERMS OF TRADE OF DEVELOPING COUNTRY SUCH AS JAMAICA  
MUST NOT BE DISADVANTAGEOUS AND GOJ WILL BE EMITLED

TO RECOVER COSTS OF PRODUCTION AND GUARANTEED PRICE.

SINGAPORE

10. WP'S STERN SAYS SEN. BAKER WILL RELEASE TESTIMONY TUESDAY INDICATING THAT A CIA OFFICIAL RECOMMENDED EMPLOYMENT OF WATERGATE CONSPIRATOR E. HOWARD HUNT BY WASHINGTON PUBLIC RELATIONS FIRM OF MULLEN AND CO. STERN SAYS BOTH CIA AND MULLEN CO. OFFICIALS HAVE ACKNOWLEDGED THEIR MUTUAL TIES, WHICH INCLUDED PROVIDING CORPORATE COVER FOR CIA OPERATIVES IN MULLEN OFFICES IN SINGAPORE AND AMSTERDAM.

JAPAN

11. HIROSHIMA AND NAGASAKI MAYORS JOINTLY ASK DOD TO MAKE COPIES FOR THEM OF 20 COLG FILMS SHOWING RESULTS OF A-BOMBING OF CITIES. UNEDITED AND NOT YET MADE PUBLIC, FILMS INCLUDE VIVID SCENES OF BOMB UNCLASSIFIED

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VICTIMS RECEIVING TREATMENT (REUTER HIROSHIMA).

12. WSJ'S MARGOLIES REPORTS JAPANESE BUSINESSMEN IN AMERICA REMAIN ISOLATED, PREFERRING TO SOCIALIZE AMONG THEMSELVES, BUT FIND IT LESS CROWDED, LESS EXPENSIVE THAN TOKYO.

13. KAWASAKI STEEL AND CHICAGO'S INTERLAK ANNOUNCE (SUBJECT TO APPROVAL) 50-50 JOINT VENTURE TO ENGINEER AND SELL STORAGE RACKS AND AUTOMATED HANDLING SYSTEMS, WITH NEW PLANT TO BE BUILT IN TOKYO (WSJ, JOC).

14. JAPAN'S ELECTRONICS INDUSTRY ASSOCIATION ANNOUNCES COLOR TV PRODUCTION DOWN 7.8 PERCENT FROM YEAR AGO (WSJ).

15. FINANCIAL SCANDAL CAUSES ORIENT CO., MEDIUM-SIZED TV MANUFACTURER, TO APPLY FOR RECEIVERSHIP. DIRECTOR USED FUNDS TO FINANCE PERSONAL VENTURE OF FRIEND, APPARENTLY COMMITTED SUICIDE WHEN FACTS CAME TO LIGHT (WSJ).

AUSTRALIA

16. WHITLAM DESCRIBES SEN. BROWN'S ATTACK ON AMB. GREEN AS "TOP US HATCET MAN" AS "MISERABLE AND COWARDLY." SAYS AUSTRALIA "PROUD" TO HAVE GREEN AS US REPRESENTATIVE, AND IF BROWN HAD ANY INFORMATION REGARDING IMPROPRIETY, IT SHOULD HAVE BEEN TURNED OVER TO FOREIGN MINISTER OR TO HIMSELF, "I DON'T BELIEVE HE HAS SUCH INFORMATION" (REUTER CANBERRA). (USED IN CBS MORNING

BROADCAST).

17. AUSTRALIA HAS PROTESTED EEC RESTRICTIONS ON BEEF IMPORTS- MOVE FOLLOWS US REQUEST TO CUT AUSSIE BEEF EXPORTS TO AMERICA (JOC). AT SAME TIME, STUDIES SHOW THAT WHILE NUMBER OF AUSTRALIAN PIGS DOWN SHARPLY, CATTLE HERDS UP 7 PERCENT OVER '73 (JOC).

18. WHITLAM ANNOUNCES DIPLOMATIC TIES ESTABLISHED WITH KUWAIT (AFP, WP).  
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19. FLU EPIDEMIC SWEEPING AUSTRALIA'S EASTERN SEABOARD, ESTIMATED SIXTH OF SYDNEY'S WORKERS OUT SICK (REUTER WP, NY POST 7/1).

PHILIPPINES

20. AUTHORITIES IN PHILIPPINES HOLDING AMERICAN MISSIONARY PAUL WILSON AND FAMILY, SAYS REP. WILLIAM GUNTER. WILSON ARRESTED FRIDAY, CHARGED WITH HARBORING FUGITIVE AND POSSESSION OF PRINTING PRESS USED TO PRODUCE SUBVERSIVE LITERATURE. GUNTER SAYS FAMILY IN GOOD CONDITION KD TREATED WELL, BUT URGES THEY BE ALLOWED TO RETURN O HOME IN MANILA UNTIL CASE DECIDED (REUTER WASHINGTON).

LOS

21. NYT REPORTS PROPOSALS FOR INTERNATIONAL SEABED AUTHORITY HAVE BECOME MUCH-CONTESTED ISSUE AT CARAKS CONFERENCE. US AF JAPAN, LEJERS IN SEABED MINING RESEARCH, PROPOSE RATHER WEAK INTERKTONAL AUTHORITY, IN WHICH THE MAJOR POWERS WOULD HAVE PROMINENT ROLE. MOST POORER COUNTRIES AND LANDLOCKED STATES PUSHING FOR UN AUTHORITY EMPOWERED TO EXPLOIT SEABED DIRECTLY AND ABLE TO EARN ENOUGH TO PROVIDE DEVELOPMENT AID TO POORER NATIONS (NYT).

COMMENT AND ANALYSIS

CAMBODIA

22. S-N'S BRADSHAW JULY 1) REPORTING FROM HONG KONG SEES STEADY EROSION OF POPULAR SUPPORT FOR LON NOL GOVT, WHOSE AUTHORITY EXTENDS LITTLE BEYOND WAR-WEARY CITIZENS OF PP AND A FEW OTHER CITIES. DISCONTENT OF STUDENTS, CORRUPTION, AND FACT THAT CAMBODIA'S ECON AND INTELLECTUAL ELITE ARE UNWILLING TO HAVE ANYTHING TO DO WITH GKR ARE WEAKENING BASIS OF US EFFORT IN CAMBODIA.

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CONTEND THAT IN NAME OF STABILITY, US HAS MOST  
OF THE TIME TRIED TMIGNORE CORRUPTION AND TO  
ENCOURAGE A NARROWLY-BASED GOVT. THAT DOES NOT  
HAVE O WORRY ABOUT TOOMANY OUTSIDE INFLUENCES.  
ONLY LONG AFTER PROBLEM OF "PHANTOM SOLDIERS" WAS  
KNOWN DID US EMBASSY BEGIN TRYING TO DO ANYTHING

ABOUT IT, OUT OF BELATED CONCERN IN CONGRESS RATHER  
THAN ANY REALIZATION INSIDE CAMBODIA THAT SUCH

PRACTICES HELPED ROOT OUT MIL AND MORAL RESISTANCE  
TO THE ENEMY.

WHILE THERE QS BEEN LITLE OUTCRY IN WASHINGTON  
TO FORCSEFFORTS AGAINST CORRUPTION, THERE HAS  
LATELY BEEN ANOTHER OF THE PERIODIC WAVES OF  
DISCOVERY OF JUST HOW MUCH US IS RUNNING CAMBODIA.  
SINCE SWANK LEFT PP, THE STYLE HAS BEEN LESS SUAVE  
AND MORE BLUNTLY FRANK INWIELDING LIFE OR DEATH  
POWER WHICH WASHINGTON HAS OVER LON NOL REGIME. RAMBASSADOR DEAN, WHO  
PROVED HE COULD OPERATE LIKE  
A COLONIAL VICEROY IN LAOS, HAS TAKEN WHTEVER STEPS  
HE FEL NECESSARY TO HOLD SITUATION TOGETHER WITHOUT  
REGARD FOR DIPLOMATIC NICETIES.

HOWEVER, QUESTION REMAINS WHETHER US INTERVENTION  
CAN ENABLE LON NOL AND LONG BORET TO SURVIVE MUCH  
LONGER - A QUESTION SHARPENED BY RECENT STUDENT  
AND BUDDHIST MONK DISCONTENT AND BY NARROWNESS OF  
NEW CABINET'S POLITICAL BASE.

VIETNAM

23. FROM SAIGON, LAT'S MCARTHUR (JUNE 30) NOTES THAT SVN  
SENATE COMMITTEE HAS RELEASED MASSIVE REPORT ATTACKING  
ARMY OFFICERS AND OFFICIALS FOR CORRUPTION IN  
FERTILIZER SCANDALHQT PUT MILLIONS INTO POCKETS  
OF PROFITEERS. COMMITTEE RECOMMENDED THAT TEN  
MILITARY PROVINK CHIEFS AND MAXRS BE CHAGED, THAT  
EVERY RANKIC OFFICIAL OF MIN OF TRADE AND INDUSTRY  
BE REMOVED AND THAT INVESTVATIONS INTO SCANDAL  
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BE CONTINUED. COMMITTEE HAD EARLIER POINTED A  
FINGER AHCNE NAT. ASSMBLY DEPUTIESAND 60 BUSINESSMEN  
WHICH BOLSTERED BELIEF THAT COMMITTEE PULLED PUNCHES.  
WHILE IT SINGLED OUT BUSINESSMEN BY NAME, IT FAILED  
TMXLLOW UP IN ONE SENSITIVE CASE INVOLVING MERCHANT

RELATED TO QFEMF PRES. THIEU.

AT ISSUE WAS 120 MILLION DOLS WORTH OF FERTILIZER IMPORTED LAST YEAR THROUGH US AID DOLLARS. FERTILIZER WAS TO BE RESOLD TO FARMERS AT LOW, SUBSIDIZED PRICES. COMMITTEE STUDY INDICATED THAT UP TO 70 PERCENT OF FERTILIZER GOT INTO OUTSIDE HANDS AND WAS BEING HOARDED TO FORCE UP PRC. ALL INVOLVED DENIED WRONGDOING; VOST CLAIMED THEY WERE ACTING TO GET FERTILIZER FOR FARMERS IN THEIR DISTRICT WHO WERE UNABLE TO GET

FERTILIZERS THEMSELVES. COMMITTEE REPORT SIMPLY CONFIRMED THAT EACH NEW GOVT. REGULATION WHICH REQUIRES PAPERWORK CREATES NEW OPPORTUNITIES FOR CORRUPTION, AND SAID MINISTRY OF ECONOMY HAD NO ADEQUATE CONTROLS AND FURTHERMORE NEVER EVEN CONSULTED AGRICULTURE MIN ABOUT DISTRIBUTION OF FERTILIZER.

IT WAS NOT UNTIL CRISIS WAS ALREADY FULL-BLOWN THAT GOVT. ORDERED NATIONWIDE CRACKDOWN AND INVESTIGATION WHICH FINALLY GOT FERTILIZER MOVING. IN THE END, THERE WAS SOME SORT OF HQPY ENDING AS NATION IS NOW HARVESTING PREDICTED RECORD RICE CROP. BUT WITH WORLDWIDE PRICE OF FERTILIZER STILL MOUNTING, OPPORTUNITIES FOR PROFITING FOR NEXT RICE CROP WILL BE EVEN GREATER UNLESS GOV. IMPOSES STRONGER CONTROLS.

THULAND

24. GLOBE'S CROCKER SNOW FROM BANGKOK SAYS MOST NEUTRAL OBSERVERS AND EXPERIENCED THAI LEADERS FEEL THAT ELECTIONS WILL TAKE PLACE SOMETIME NEXT YEAR AND THAT COMPOSITION OF NEW GOVT., INITIALLY ANYWAY, WILL BE FAR MORE CIVILIAN THAN MILITARY. HOWEVER, CURRENT UNCERTAINTIES AND SCRAMBLED EXPECTATIONS UNCLASSIFIED

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BEING MGNIFIED BY RTG'S ERATIC RESPONSE TO THE WORLD AROUND IT. NOTES THAT THAI LEADERS TALK MUCH ABOUT BETTER RELATIONS WITH NEIGHBORING COMMUNIST COUNTRIES, BUT SHOW OBVIOUS APPREHENSIONS ABOUT THE PROSPECT. SO FAR THIS YEAR, RTG SENT SEVERAL ENVOYS TO VC, HINTED OPENLY THAT IT WOULD LIKE TO BEGIN DIALOGUE WITH NVN AND MOST RECENTLY ENDORSED VISIT BY NGKEAN TRADE DELEGATION TO BANGKOK. THESE STEPS APPEAR AS A PRAGMATIC PUSH TOWARDS BETTER NEIGHBORLY RELATIONS IN POST-VN WORLD OF ASIA - AND US END-AROUND WAY TO TRY TO QUELL A HANOI-INSPIRED COMMUNIST MOVEMENT IN N AND NE THAILAND. US SOURCES REGARD THAI MOVES WITH EQUANIMITY, BUT APART FROM FULL WITHDRAWAL OF THAI REGULARS FROM LAOS, ALL THAI

TALK OF LOCALIZE DETENTE HAS BROUGHT LITTLE  
CONCRETE CHANGE SO FAR.

MAJOR OIOUS IMQDMENT TO IMPROVED RELATIONSQITH  
COMMUNIST WORLD IS CONTINUED PRESENCE OFMAJOR US  
AIR UNITS W BASES IN THAILAND. US OFFICIALS  
EXPEC CONSTANT PRESSURE FOR REDUCTIONS AND INSIST  
THAT US AIR UNITS WILL STAY ONLY ASIONG AS THEY  
ARE WANTED; COMMON THEME OFUSDIPLOMATS, IF NOT  
GENERALS, BEING,W CAN LIVE WITHOUT THAILAND, BUT THEY HAVE DECIDED IF  
THEY CAN LIVE WITHOUT US."  
OBSERVES THAT WHEN PUT AS SIMPLY AS THIS, THE ANSWER  
SEEMS TO BE THAT THE THAIS DON'T YE PREFER TO LIVE  
WITHOUT ALL YANKEES. THAI AMBIVALENCE IS ILLUSTRATED  
MOST CLEARLY BY THANAT, WHO SAYS, "I HAVE NEVER  
ADVOCATED A COMPLETE US MILITARY PULLOUT,UT RATHER  
RELATIONSMUST BE C SUCH A WAY AS TO HELP, NOT  
HINDER US" RECALLS THANAT ONCEPROMOTED DETENTE  
WITH PRC, NVN AND EF OF US PRESENCE ALTOGETHER.  
ACCORDING SNOW, HANAT'S POSITION SUPPORTS PRIVATE  
CONTEMION OF MANY USOFFICIALS IN ASIA, THAT WHILE  
US PRESENCE IN THAILAND IS IRRITANT FOR RTG ON OCCASION,  
IT IS AN IMPORTANT SECURITY BLANKET. FORMER AMBASSADOR  
UNGECHAS ARGUED IN RECENT YEARS THAT US PRESENCE AT  
LOW LEVEL GAVE RTG BOTH FLEXIBILITY AND BARGAINING  
CHIPS IN SEEKING ACCOMMODATION WPH HER COMMUNIST  
NEIGHBOR. THANAT'S VIEW AND UNGER'S ANALYSIS  
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OF IT SYMBOLIZE ON LARGER SCALE THE TWO-ENDS-AGAINST-  
THE-MIDDLE POSTURE THAT SEEMS CHARACTERISTIC FOR  
THAILAND. SNOW SAYS THAILAND'S PROBLEM LIES IN TRYING  
TO DETERMINE THE DIRECTION OF THE WIND IN THE OUTSIDE  
WORLD OF ASIA, AS COMPARED WITH THE EQUALLY FICKLE  
POLITICAL VAPOR WITHIN.

KOREA

25. LAT'S JAMESON (JUNE 30) IN SEOUL REVIEWS ROKG ACTIONS  
TO SUPPRESS DISSIDENTS. CITES PRIDE, RATHER THAN  
FEAR OF N KOREANS OR EVEN OF MAJG UNREST AT HOME  
AS MOTIVATING FACTOR IN PARK'SCEJSSIONS. NO ONE  
ACCUSED KIM CHI HA OF BEING A COMMUNIST, BUT HIS  
BARBED POEMS OFTEN POINTEDHOWARD THE PRESIDENTIAL  
BLUEHOUSE. DANGER PARK FACED FROM YUN POSUN  
APPEARED FAR LESS SIG;IFICANT THAN FACT THAT YUN  
DARED TO ASSIST CRITICS OF THE PRES; SAME SEEMED  
TRUE OF REV. PARK HYONG KYU. TY 20 DOLS AND WHATEVER  
ASSISTANCE TWO JAPANESSYHAVE GIVEN DISSIDENT  
STUDENTS APPEARED TO BE WS IMPORTANT THAN THE  
FACT THEY WERE JAPANESE -AND, AFTER AN UNHAPPY  
50YEARS OF COLONIALCULE BY JAPAN, SUBJECTING



THE PAIR TO COURTMARTIAL RATHER THAN DEPORTATION  
UNDOUBTEDLY APPEALED TO KOREAN EGO. UNDER PRESENT  
SEVERE LIMITATIONS ON POLITICAL PARTIES, IT  
WAS UNCLAR WHAT INJURY KIM JE JUNG MIGHT INFLICT  
ON PARK'S PRESIDENTIAL GRASP BUT IT WAS CLEAR THAT  
IF KIM IS NAMED PJS. OF THE NDP, WHICH SCHEDULED  
TO HOLD CONVENTION IN AUGUST, IT WOULD BE INTERPRETED  
BY PRES. PARK AS A SLAP IN THE FACE.

US EFFORTS TO TALK KOREANS OUT OF IMPOSING BAN ON

CSMS POND PROVED FUTILE - EVEN WHEN AMERICAN OFFICIALS  
POINTED OUT THAT THE DECISION COULD HARDLY HELP  
KOREA'S CAUSE IN CONGRESS WHEN ADDITIONAL MIL AID  
WAS BEING SOUGHT. US EMBASSY HAS ATTEMPTED TO FOLLOW  
STRICT NON-INTERFERENCE POLICY IN DOMESTIC AFFAIRS -  
BUT HAS PRIVATELY REACTED WITH DISMAY OVER WHAT ARE  
REGARDED AS PARK'S EXCESSES. US OFFICIALS HAVE  
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SWALLOWED ITS DISMAY, MAINLY BECAUSE IT REGARDS  
SURVIVAL OF NON-COMUNIST SK AS ESSENTIAL TO US  
INTERESTS.

I  
BUT PARK'S POWER GRAB AND HIS SLAPS AT JAPAN HAVE  
STIRRED MAJOR UPROAR IN JAPAN. CITES JAPANESE SOUR SAYING THAT CON-  
STANT FLAREUPS OF LAST 11 MONTHS  
HAVE BEGUN TO MAKE SOME OFFICIALS IN GAIMUSHO THINK  
TWICE ABOUT AID TO KOREA. KOREAN, JAPANESE AND US OFFICIALS ALL AGREE THAT  
EACH CRITICISM OF PARK  
AND KOREA ONLY HARDEN ATTITUDES IN SEOUL. SPECULATING  
HAS BEGUN THAT PARK MAY CONSIDER REMOVING SOME  
SUPPRESSIVE MEASURES, BUT LOOSENING SCREWS WOULD  
STILL LEAVE UNSOLVED WHEN  
AT ONE OBSERVER CALLED "THE  
ONLY POLITICAL ISSUE IN KOREA - WHETHER PARK CHUNG  
HESITATING TO GO TO RULE FOREVER."

THEREIN LIES THE DILEMMA OF KJ. FOR PARK IS  
SAME MAN WHO EARLIER KOREA THE MOST STABLE  
DICTOCRACY IT HAD, WHO LIFTED THE COUNTRY FROM  
ECONOMIC STAGNATION TO TAKEOFF TOWARD FULLY-ADVANCED  
STATUS, WHO OVERCAME EMOTIONAL ANTAGONISM TOWARD  
JAPAN TO RESTORE DIPLOMATIC RELATIONS WITH THE FORMER  
COLONIAL MASTER, AND GAVE US THE STRONGEST SUPPORT  
IT RECEIVED FROM ANY COUNTRY IN VN WAR BY DISMISSING  
TWO DIVISIONS OF KOREAN TROOPS TO FIGHT ALONGSIDE  
AMERICANS.

JAPAN

26. GLOBE'S STORY IN TOKYO (JUNE 30) SEES US PROMISE

OF NUCLEAR POWER TO EGYPT AND ISRAEL AS INJECTIV  
UNCERTAINTY INTO QUESTION WHETHER JAPAN WILL  
RATIFY NPT. OFFICIALLY, GOJ HAS NOT CHANGED  
POLICY FAVORING RATIFICATION, BUT US EMBASSY HAS  
BEEN TOLD INFORMALLY THAT ME ARRANGEMENT HAFVATERIALLY KFECTED TREAZ  
ISSUE. CITES U.S. OFFICIAL  
AS SAYIV OF THE JAPANESE, "THEY ARE SAYINGIT IS  
NO LONGER A QUESTION OF WHEN THE NPT WILL BE APPROVED,  
BUT WHETHER."  
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JAPANESE PAPERS GENERALLY SUPPORT RATIFICATION.  
SUPPORTERS ARGUE THAT JAPAN'S INTERNATIONAL TRUST  
WILL SUFFER DECLINE IFRATIFICATION IS NOT FORTH-  
COMING. ARGUMENTS AGAINST RATIFICATION, GENERALLY  
FROM THE MOST CONSERVATIVE ELEMENTS OF LDP, CENTERED  
ON FACT THAT JAPAN HAS ALREADY RENOUNCED ATOMIC  
WEAPONS AND HAS NO NEED TO FURTHER REDUCE ITS OPTIONS;  
ALSO IT IS CONTENDZ THAT NPT ENSURES CONTINUED US-  
USSR MIL SUPREMACY.

STORIN NOTES THAT AFTER RECENT CHINA NUCLEAR EST,  
ATMOSPHERE OVER KYUSHU REGISTERED FIVE TIMES NORMAL  
LEVEL OF RADIOACTIVITY. AND ALTHOUGH ATMOSPHERIC  
EFFECT WAS NOT EQUAL TO DEC 1967, WHEN CHINESE TEST  
BROUGHT A READING OF 17,000 TIMES THE NORMAL LEVEL,  
POLITICAL IMPACT APPEARS TO HAVE BEEN GREATER.  
ANTIBOMBING FACTION OF JCP JOINED IN CONDEMNATION  
OF CHINESE TEST FOR THE FIRST TIME. ON OCCASION  
OF LAST TEST, THEY CITED US AS A MOTIVATING FORCE.

27. IN ANOTHER FEATURE, STORIN CITES RECENT POLL OF 2075  
MIDDLE MANAGERS SHOWING THAT 65 PERCENT OF THOSE  
QUESTIONED SAY THEY FELT THAT THEIR EMPLOYERS TREATED  
THEM UNREASONABLY. POLL, CONDUCTED BY MITSUBISHI BANK,  
ALSO SHOWED THAT 35 PERCENT OF THOSE POLLED WOULD  
LIKE TO CHANGE THEIR JOBS - AN UNCOMMON PRACTCE  
WITHIN JAPANESE BUSINESS ETHICS. STORIN COMMENTS  
THAT IF THIS IS BECOMING A TREND, IT WIL CERTAINLY  
NOT BE HINDERED BY GOJSULL-OUT EFFORT TO HOLD DOWN  
WAGES DURING THE NEXT YEAR DESPITE RAMPANT INFLATION.  
IN CONTEXT PENDING ELECTIONS, STORIN ALSO REMARKS THAT  
STRENGTH OF TRADITIONAL EMPLOYER-EMPLOYEE LOYALTY  
COULD MEAN THE DIFFERENCE IN A CLOSE ELECTION, SUCH

AS THAT FOR THE UPPER HOUSE. SAYS EFFORTS OF HUGE  
CORPORATIONS LIKE MITSUBISHI, TOYOTA, SUMITOMO AND  
OTHERS, WHICH AGREED TO WKE ON THE COST OF "SELLING"  
INDIVIDUAL LDP CANDIDATES, WILL BE CAREFULLY WATCHED.  
REPORTS THAT MITSUBISHI GROUP HAS ASSIGNED 107 OF ITS  
EXECUTIVES TO TASK OF GETTING A FORMER POLICE OFFICIAL  
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ELECTED TO THE HOUSE. WITH 300,000 EMPLOYEES ACROSS THE NATION, COMPANY HOPES THAT WITH ITS WORKERS AND THEIR FAMILIES, MITSUBISHI CAN PRODUCE 400,000 OF THE PERHAPS 550,000 VOTES THEIR CANDIDATE NEEDS IN NATIONWIDE RACE (GLOBE).

28. NYT'S HALLORAN IN TOKYO WRITES ABOUT THE POWERFUL BEHIND-THE-SCENES POLITICAL ROLE OF RIGHTISTS KODAMA AND SASAKAWA. COMMENTS THAT THEY AND OTHER "KROMAKU" ARE FROM AN EARLIER ERA, FAR OUT OF TOUCH WITH PREVAILING IDEAS ABOUT DOMESTIC AND FOREIGN POLICY AND JAPAN'S ROLE IN THE WORLD. NOES THAT SUCH MEN NEED FRONT MEN, MANY OF WHOM HAVE DIED OR RETIRED FROM POWER. MOREOVER THE SENSE OF OBLIGATION ON WHICH THEY BUILT THEIR NETWORK OF CONTACTS HAS FADED IN THE MODERN GENERATION.

CHINA

29. HEARS'S HENRY J. TAYLOR (BALTO N-A JULY 1) WRITES ABOUT "THE TIBETAN TRAGEDY," FROMWHAT HE SAYS IS USLO CHIEF BRUCE'S REPORT TO DOS ON "THE UNREVEALED SITUATION IN OVERRUN TIBET." NOTES O ONCE DESIGNATED IT AN AUTONOMOUS JGION, BUT OCCUPYING PLA NOW TOTALS 300,000 NOTES PARENTHETICALLY THAT ABOUT .4 MILLION OF 3.8 MILLION CIRCULATION OF PEOPLE'S DAILY IS PRINTED IN 11 OTHJ CITIES FROM FACSIMILE TRANSMISSION OR AIR-MAILED MATS; THIS NOW INCLUDES LHASA. TENS OF THOUSANDS OF TIBEWNS HAVE FLED AF ARE NOW REFUGEES IN NORTHERN INDIA; THEY ARE SUSTAINED ALMOST ENTIRELY BY PITYING AMERICANS WHO SEND FUNDS FROM THE US. DRAFT CONSTITUTION PROMULGATED BY DALAILAMA RECOGNIZD TEACHINGS OF BUDDHA AND THE DEMOCRATIC SYSTEM BASED ON JUSTICE. DALAI LAMA BARELY ESCAPED CHINESE BLOODBATH, NOW LIVES IN UPPER DHARAMASALA. BRUCE REPORTS TO DOS THATQORD REACHING HIM IN PEKING IS THAT DALAI LAMA IS IN GOOD HEALTH, REMAINS INTENSELY PRO-AMERICAN AND IS HOPING TO VISIT THE US. INTL. COMMISSION OF JURISTS HAS OFFICIALLY CHARGED PRC WITH PRACTICING GENOCIDE. RUCE LIFTS VEIL ON 17-POINT AGREEMENT UNCLASSIFIED

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THAT MAO FORCED TIBET TO SIGN UNDER WHICH THE NATION SURRENDERED ITS MILIARY DEFENSES AND "DISAVOWED TIBETAN SOVEREIGNTY TO BECOME AN INTEGRAL PART OF CHINESE TERRITORY." CHINA IMMEDIATELY BUILT COMPLEX OF IMMENSE AIRFIELDS LOOKING DOWN ON INDIA, SEIZED PART OF INDIA, AND INDIAN NONSENSE ABOUT

COLLABGATION WITH CHINA WAS SHATTERD. SISCO

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BIEN HOA  
CAN THO  
DANANG  
HONG KONG  
NHA TRANG

JEC PARIS  
DEPT OF TREASURY  
USSAGE NAKHON PHANOM  
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